

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 23-cv-20727-ALTMAN

RYAN BRESLOW, *et al.*,

Plaintiffs,

v.

MARK PHILLIPS, *et al.*,

Defendants.

/

DECLARATION OF ALEX FINE

I, Alex Fine, make the following declaration based on my personal knowledge:

1. My name is Alex Fine. I am over the age of 18, competent to testify, and have personal knowledge of the matters stated herein.
2. I am a resident of San Francisco, California.
3. In 2021, Ryan Breslow, Jon Gordon, and myself founded a new cryptocurrency platform called the Movement DAO (“DAO” or “Movement DAO”).
4. We intended for the Movement DAO to function as an online community, with community members contributing capital into the DAO endowment. That endowment would then be invested, and the proceeds from the investment returns would be used to fund DAO community projects.

5. On multiple occasions, Defendant Phillips represented to me that dao-lawfirm was the Law Office of Reed Yurchak. Defendant Phillips also represented to me, including prior to February 2022, that Mr. Yurchak's firm was a signatory to the DAO endowment account.

6. In early 2022, Defendant Phillips induced me to entrust him with my authorization tokens for the DAO endowment's Gnosis account by repeatedly assuring me that he was trustworthy. When I entrusted Defendant Phillips with my voting tokens and DAO endowment keys, implicit in that custodial relationship was the representation that Defendant Phillips would not take any action to disable them, render them useless, or otherwise not destroy my ability to use them for their intended purpose.

7. The Movement DAO did not launch on February 2, 2022. The only thing that occurred on February 2, 2022 was the online publication of the Gitbook white paper and the commencement of the MOVE token presale. The DAO endowment account's ENS (Ethereum Name Service) name makes it clear that the project was in pre-launch on February 2, 2022 and continues to be so today. The ENS name associated with the DAO endowment account—0x143cC0A996De329C1C5723Ee4F15D2a40c1203c6—is **Movement DAO:Presale**. See Dkt. No. 24-1, Exhibit 1.

8. Defendant Mark Phillips and I co-wrote the Gitbook white paper together. He was heavily involved in the process. Attached as Exhibit A is a true and accurate copy of a screenshot of a text message dated January 29, 2022 between me and Defendant Mark Phillips showing that he was working on writing the Gitbook white paper.

9. It was understood and discussed by myself, Mr. Breslow, Mr. Gordon, and Defendant Phillips that the Movement DAO project would launch only after Mr. Breslow

authorized it to launch. It was also understood and discussed among the four of us that Snapshot proposals would only be binding if passed after the Movement DAO project had launched.

10. MOVE tokens function as voting power within the Movement DAO community (i.e., one MOVE token is equivalent to one vote). MOVE tokens are to be used by Movement DAO community members to vote on proposals related to, among other things, the governance of the Movement DAO. *See* Dkt. No. 24-1, Exhibit 2 at 41 (Docket Page) (“The \$MOVE token governs the platform. These token holders are responsible for growing the endowment and deploying capital into movements.”).

11. Without MOVE tokens, Movement DAO community members do not have authority to pass governance proposals, make decisions regarding finances, or pass any other resolution relating to the Movement DAO project. Dkt. No. 24-1, Exhibit 2 at 46 (Docket page) (“The Movement DAO is governed by its staked token holders. \$MOVE tokens represent the power to influence change to governance, economics, and incentives in the Movement DAO.”).

12. As described in the Gitbook white paper, the deployment of MOVE tokens was a necessary condition that had to occur before Movement DAO community members would receive the authority to pass binding resolutions via Snapshot concerning the Movement DAO endowment and treasury. The Gitbook states “[a]fter the initial \$MOVE distribution via contributions to the endowment...the community will manage the remaining treasury through Snapshot.” Dkt. No. 24-1, Exhibit 2 at 47 (Docket page).

13. I have never received any MOVE tokens, and MOVE tokens were never created or distributed to contributors to the DAO endowment account.

14. Because MOVE tokens were never created or distributed, the Movement DAO community never received authority to pass binding proposals on the Movement DAO project or the DAO endowment account.

15. The proposals that were passed by the Movement DAO community via Snapshot in August 2022 and February 2023 were non-binding, advisory, and lacking any authority because, among other things, the Movement DAO project had not launched and because votes were not cast using MOVE tokens.

16. Instead of issuing MOVE tokens—which were the legitimate source of voting rights described in the Gitbook—Defendant Phillips created voting units on Snapshot and named them “MOVE.” Defendant Phillips explained to me that these units would function as community badges to encourage buzz and participation in the Movement DAO community, but that they had no legitimacy and conveyed no ownership or voting rights over the Movement DAO. He distributed those voting units to various individuals in the Movement DAO community in a manner that did not correspond with the amount contributed by the recipient.

17. The Movement DAO was created by myself, Mr. Breslow, and Mr. Gordon based on several core, fundamental precepts. One such precept was that the DAO endowment would never be spent. This principle was expressly stated in the Gitbook white paper. *See* Dkt. No. 24-1, Exhibit 2 at 58 (Docket Page). Rather, all operational expenses and funding for social impact projects hosted on the Movement DAO platform were to be financed by the yields earned from the investment of the DAO endowment.

18. The DAO endowment was never deployed or invested to earn additional proceeds. This deployment did not occur because the Movement DAO project never launched.

19. In order for the Movement DAO to function, it necessarily requires a platform with a user interface that a social impact group can access to establish their own DAO. Without this user interface, the prospective user cannot access or utilize the applications and tools hosted on the Movement DAO platform. This user interface was contemplated as a public website, with tools available on the platform that enabled social impact groups to create and manage their own DAOs to organize, fundraise, and perform other activities related to its social impact mission.

20. The Movement DAO never hosted or otherwise launched a user interface to create social impact projects under the Movement DAO. As a result, the Movement DAO platform has not and currently does not host any social impact projects.

21. I am the sole and managing member of Pure Alpha Fund, LLC (“PAF, LLC”), a limited liability company organized under the laws of the State of Washington.

22. Defendant Phillips claims that the DAO endowment is comprised of \$1,700,000 from contributors other than myself, Mr. Breslow, and Mr. Gordon. I believe that to be inaccurate, as \$1,500,000 of the \$1,700,000 referenced by Mr. Phillips was contributed under the direction and on behalf of PAF, LLC.

23. Attached as Exhibit B is a true and accurate copy of screenshots of a text message that I sent to Defendant Mark Phillips on March 24, 2022.

24. Attached as Exhibit C is a true and accurate copy of screenshots of text messages between me and Defendant Mark Phillips on October 10, 2021.

25. Attached as Exhibit D is a true and accurate copy of screenshots of text messages between me and Defendant Phillips on July 2, 2022.

26. Attached as Exhibit E is a true and accurate copy of screenshots of text messages between me and Defendant Phillips on August 24, 2022. In that message I reference a “\$ted token.” “Ted” is a pseudonym we used for the Movement DAO project.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 23 day of March 2023.

DocuSigned by:

Alex Fine
33880434984442D...

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served by the Court's CM/ECF system on March 23, 2023 on all counsel of record.

/s/ Jamie L. Katz
Jamie L. Katz

Exhibit A

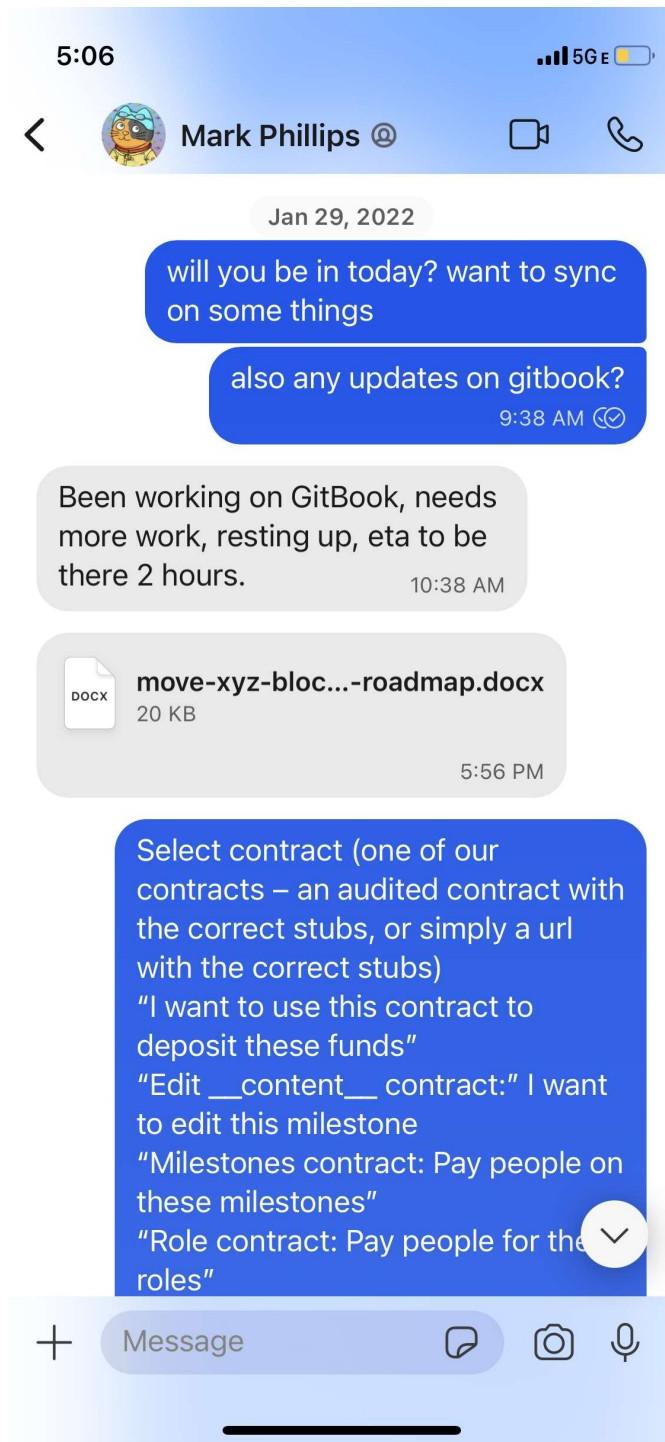


Exhibit B

 Mark Phillips @  

owned this. Mar 24, 2022 11:38 AM

Hey Mark let me break things down here:

1. After we chatted earlier in the week I sought to implement Bolt myself and keep this off your plate entirely. I was told by the Bolt sales team on Tuesday that implementing Bolt was a simple iFrame. And I didn't meet with the Bolt implementation team until Wednesday (yesterday). However, after I met with their implementation team I was told it required real development expertise. Despite this I tried for a few hours yesterday to implement it myself, to no avail. At this point I came to you for help. At the end of the day it's obviously no excuse – I fucked up timelines. But I did want you to have context into how this happened. I was operating off of inaccurate data. I really respect all you're doing and tried hard to prevent bothering you.

+

Message   

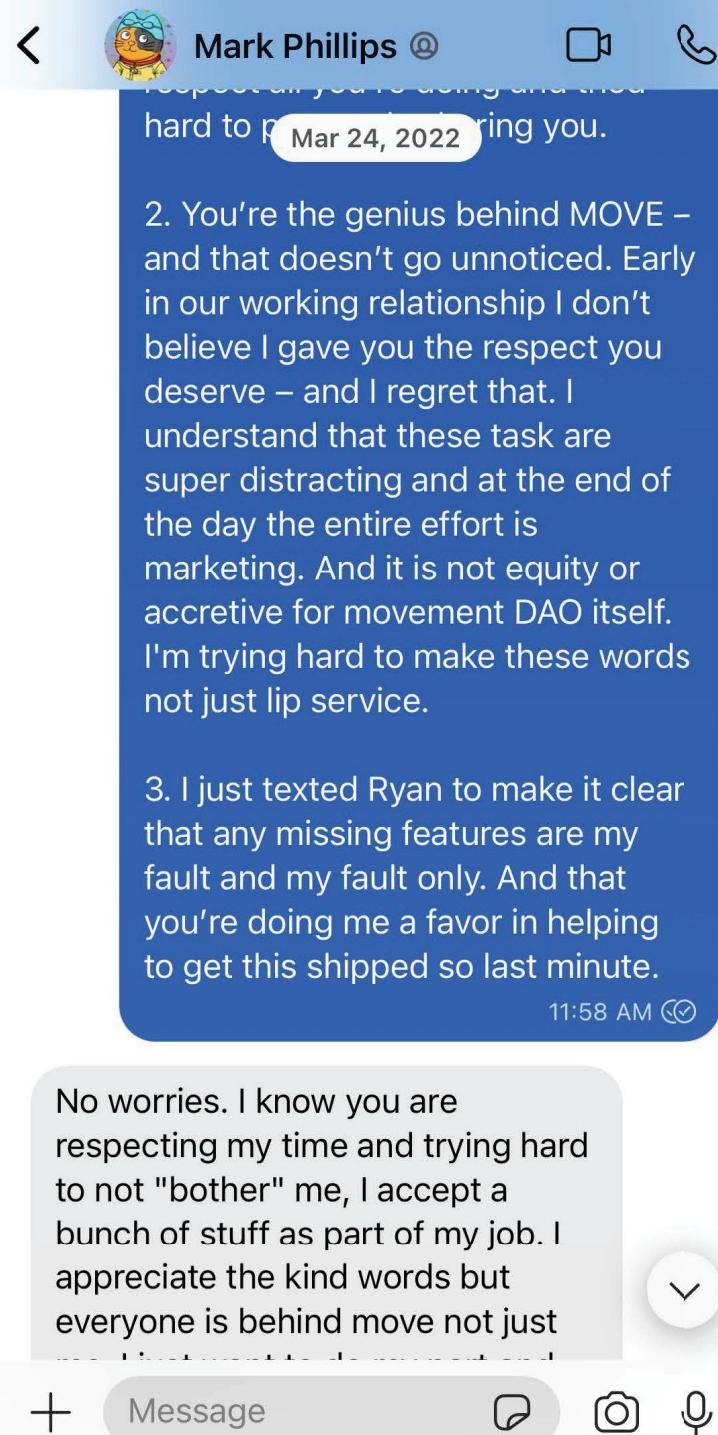


Exhibit C



1:46 PM

Mark Phillips

Uh, someone could hack your vault and steal your sh*t, or you could hav...

Is this vault not secured on the blockchain? This might be a silly question but how would they hack it?

1:48 PM

So I appreciate all the support and resources to do what we need to do. I am basically trying to get the Russians on a development cycle which is transparent to me and not



Message



Mark Phillips @
It?
Oct 10, 2021
1:48 PM

So I appreciate all the support and resources to do what we need to do. I am basically trying to get the Russians on a development cycle which is transparent to me and not stupid or slow and bloated. Like they have a few people that are actually key developers but they have me speaking to a few people to get to them which is both stupid and inefficient and not what I was lead to believe, so I am pressuring them on showing me their value.

You
Is this vault not secured on the blockchain? This might be a silly que...
there are number of ways to hack smart contracts and bleed it of funds, the blockchain is a system for security and transparency but you can also not use it correctly.
1:50 PM

Mark Phillips
So I appreciate all the support and

Message

Exhibit D

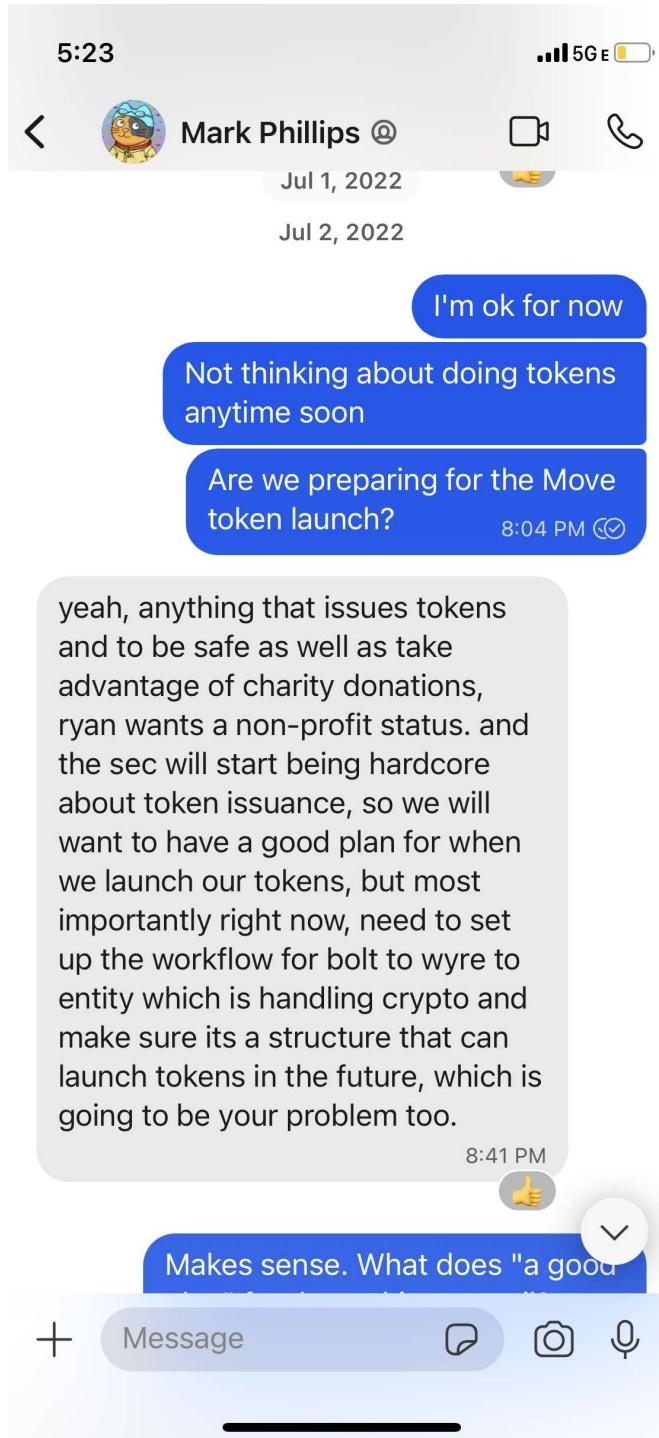


Exhibit E

